The Director of Central Intelligence Washington, D.C. 20505

National Intelligence Council

NIC #7805-83 31 October 1983

MEMORANDUM FOR: Director of Central Intelligence

Deputy Director of Central Intelligence

VIA : Charles E. Waterman

Vice Chairman, National Intelligence Council

FROM : David Y. McManis

National Intelligence Officer for Warning

SUBJECT : Monthly Warning and Forecast Meetings

for October

- 1. The reports on the NIO Warning and Forecast meetings are attached.
 - 2. Warning highlights follow:

a. INF

- (1) Soviets continue to threaten a halt in negotiations if INF is deployed, but also are being more explicit in their proposals to reduce the number of SS-20's facing Europe. These latter statements have a "reasonableness" that will appeal to many in Western Europe and will add to the political debate. General Chervov reiterated the threat to the U.S. by saying the Soviets would deploy missiles with a ten-minute flight time to the U.S.
- (2) If the Soviets walk out of the INF talks, fulfill their threats to take military countermeasures and reassess their policies toward Bonn and Berlin, Kohl's position supporting further deployments will be criticized at home. FRG would intensify efforts toward a formula to address Soviet concerns about British and French nuclear forces. Once initial INF deployments occur, other NATO allies are likely to try to set a more positive European tone in arms control

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and could challenge U.S. positions on related security issues.

2. Romania

Energy problems, take-home pay reductions, and drought impacted crops will lower living standards and increase dissatisfaction this winter. Romania is likely to have additional isolated demonstrations and strikes, although security forces are able to contain them. Renewed anti-Ceaucescu sentiment is likely, more pronounced feelings are possible.

3. Cyprus

Turkish Cypriots are seriously considering declaring independence -- a move that almost certainly would end hope of a negotiated settlement in the short- or mid-term. Andara may condone the move, perhaps as early as the first quarter of 1984. The U.S. would have little additional warning of a declaration and Turkey would not be amenable to last-minute appeals. A Greek-Turkey-Cypriot crisis would be likely.

4. <u>Guatemala</u>

There has been a deterioration of the human rights situation, with the security forces joining with right-wing elements in killings. We expect this trend to increase. Meanwhile, General Mejia is not building a popular constituency, although he seems to be facing no consistent political opposition to remove him from power. Guerrillas are more active, their urban structure is improving and greater unity of individual guerrilla commands is apparent. Human rights problems will aid the guerrillas in the longer term.

5. <u>El Salvador</u>

The guerrillas are not doing as well as they were a year ago. The government still has the military momentum. However the activities of death squads is increasing and U.S. representations have not been effective in discouraging the kidnappings and murders. In fact, General Vides appears less capable than General Garcia was in controlling death squads. There is sympathy in the Army for right-wing ARENA, and the ARENA leadership and

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following is politically unstable. A common remark in El Salvador is that a coup is inevitable if Duarte should win upcoming elections.

6. <u>Nicaragua</u>

There is a growing likelihood that the Sandinistas will respond to attacks in their country by launching small-scale special operations into Honduras and Costa Rica.

Mid East

Arafat has been seriously undermined and Syria has the dominant voice in the PLO. Palestinian and radical group terrorist actions against Israeli, MNF and U.S. targets in Lebanon will continue. The dilemma for our Marines in Lebanon is that the more they control their perimeter the more they come in conflict with radical gunmen; thus, Marines will remain a vulnerable target for any group trying to stop the peace process.

8. Iran-Iraq

The five Super Entendards are still unlocated. Delivery to Iraq will begin a countdown for use against Iran and economic targets of other countries in the Arabian Gulf area.

9. Pakistan

Agitation in Sind Province continues into the tenth week, shows no signs of abating, and demonstrates Zia's vulnerability in not being able to deal with Sindhi alienation. Increased economic disruption and spreading and prolonged disturbances would probably result in Zia being replaced by the Army. If the situation remains unchanged or improves, Zia will still be in power six months from now.

10. The Philippines

Barring assassination or deteriorating health, Marcos will probably be in power six months from now, but his power and room for maneuver will be reduced. The elite and inner circle seem to be focussed on the succession issue.

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11. North/South Korea

North Korea's alert has returned to a more normal state. South Korea has threatened retaliation if another Rangoon-like incident should occur.

David Y. McManis

Attachments: As stated (h/w)

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